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TURKEY'S CRASH WHEAT PROGRAM

PHILIPPINE FIBER REPORT

A SELF-HELP FARM PROJECT IN KENYA

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Turkish Minister of Agriculture Bahri Dagdas harvests Sonora 64 semidwarf wheat with the same gusto that has made him the prime mover in Turkey's program to attain wheat self-sufficiency. See story opposite.

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Wheat Program Leads Off Turkey's New 5-Year Plan

By JOSEPH R. WILLIAMS
U.S. Agricultural Attaché, Ankara

Turkey today is on the threshold of a revolution in the production of wheat—its largest crop and the crop most important to its dietary self-sufficiency. A crash program to increase wheat production is getting top priority in the Government of Turkey's second 5-year plan for the country's development.

The plan—a pattern for progress during the fiscal years 1968 through 1972—outlines a dominant role for agriculture. This emphasis has resulted from a recent reappraisal by government leadership of the contributions made by agriculture in supplying the national diet and in earning foreign exchange badly needed for industrial development. Accordingly, the new plan stresses two main agricultural goals—self-sufficiency in basic foods that can be produced domestically and increased production of the commodities it exports.

Implementation of the plan must necessarily come by stages. Increasing wheat production was chosen as a first-stage goal for a number of reasons. Probably the most important is that wheat is the basic food of Turkey; the per capita consumption, at 401 pounds a year, is one of the highest in the world. Since 1946, Turkey has had to import an average of 300,000 tons of wheat annually to meet its domestic requirements.

Most of the imported wheat has come from Public Law 480 shipments. The 1966 amendment to P.L. 480, which stipulated that recipients of food shipments under this law try harder in the future to produce more of their own food requirements, had a profound impact on the thinking of Turkey's government leaders.

Turkish agriculture today

Turkey's diverse soils and climatic conditions are conducive to the production of both its basic food requirements and its export crops plus a wide variety of top-quality fruits and vegetables.

Of the gross national product in 1966, estimated at $9.2 billion, agriculture contributed $3 billion, or 32 percent. Of $490 million worth of exports in 1966, $415 million, or 85 percent, were agricultural.

Export crops.—For the foreseeable future, Turkey will rely on agricultural exports for its major exchange earnings. As an exporter to Europe, its natural market, Turkey has two big advantages—proximity and the time of harvesting peaks, which are reached during periods of minimum supplies from competitors.

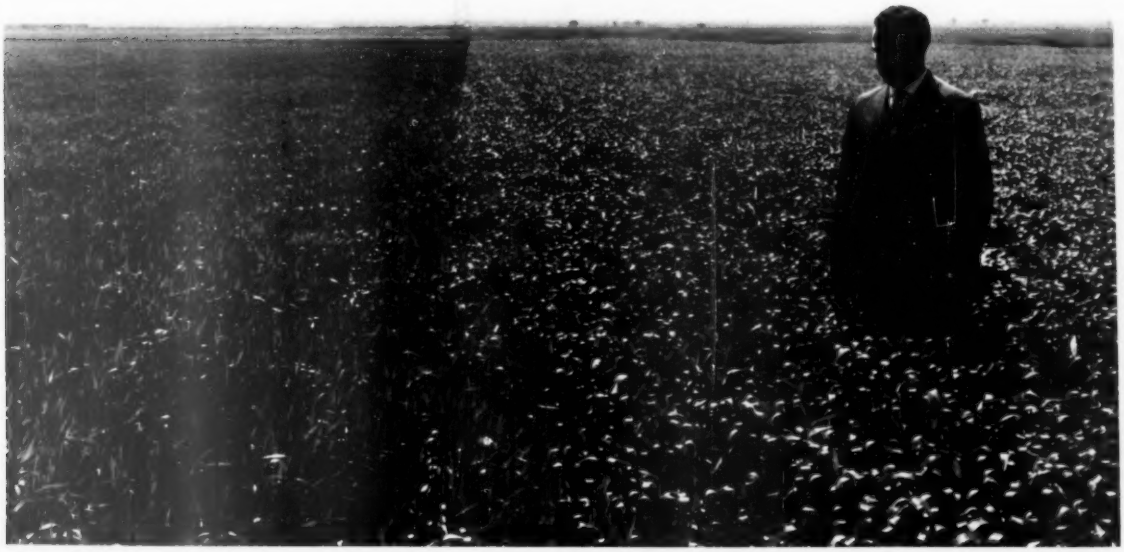
Export crops consist largely of cotton, tobacco, filberts, raisins, oil cake, figs, and olive oil. In 1966, these made up 82 percent of total agricultural exports. Exports of the top six commodities have increased 73 percent since 1962, as a result of a government policy designed to stimulate production for export.

Export crops are produced mainly on the coastal areas along the Mediterranean, Aegean, and Black Seas. In general, these are the most productive lands, and farmers in these areas use modern techniques and machinery and 80 percent of the total fertilizer inputs of the country.

Currently, the government stimulates exports by means of price supports based on product quality, an export council that reports directly to the Prime Minister, and trade delegations with limited promotion funds that cover many of the world's export markets.

In the second 5-year plan that has just begun, production

Sonora 64 semidwarf wheat in field at right far outyields native Turkish wheat at left.



of citrus and fresh fruits and vegetables for export is being encouraged.

Wheat.—Through the centuries, the low-rainfall Anatolian Plains have been the breadbasket of the Middle East. The farmers on these plains, who subsist on a yearly income of less than $200, have planted wheat crop after wheat crop, letting the land lie fallow in alternate years.

Much of the land is still cultivated with oxen. Wheat is sown by hand, harvested by sickle and scythe, and threshed by primitive sledges. Because the plains are bare of trees, farmers have been forced to use animal manure as fuel to survive the bitter winters; it is estimated that they use the equivalent of 1.4 million tons of commercial fertilizer a year for this purpose.

Even after some 2,000 years of depletion, productivity of the Anatolian soil is amazingly high. In both 1966 and 1967, when good rains came in April and May, record wheat crops were produced, and grazing for livestock on fallow land was of highest quality in recent years.

This productivity indicates the potential of the land—how much more it could produce with the application of modern farming techniques and even limited use of fertilizer and other inputs.

Problems and assumptions

In developing its agriculture, Turkey faces the same basic problems that handicap most of the developing world.

These include: Lack of sufficient foreign exchange to buy modern equipment; agricultural institutions in need of improvement; no coordinated agricultural research and no channels for transmitting research findings to farmers; need of most farmers for additional education and training in modern agricultural techniques and methods; need for improved communications, transportation, and marketing systems.

In setting up the second 5-year plan, Turkish leaders have made the following assumptions—

- Although Turkey has access to agricultural technology of the Free World, the country's development must come largely from within.
- True development will come only from increased per capita income. If the per capita income of farmers is to be increased, revolutionary changes must take place in the attitudes, educational levels, and training of the large subsistent farm population of Anatolia.
- Agricultural credit and inputs must be made available in larger quantities at reasonable cost to more farmers. Improvements in agricultural income must come from increased yields from the application of improved technology, rather than from rising prices.
- In order to improve per capita income, effective population control measures must be taken soon. Population is now increasing by 2.5 percent each year.

Agriculture in the new plan

The second 5-year plan calls for a GNP growth rate of 7 percent a year. The goal for agriculture is an average annual increase of 4.2 percent.

The planned strategy and objectives for agriculture:

- Increased emphasis on export commodities and on self-sufficiency of products that can be grown at home.
- Establishment of cooperatives to distribute agricultural inputs and market products.
- Full utilization of existing and planned irrigation; no plans are now included for new investments in irrigation.
- Price supports to encourage quality of products and to promote agricultural stability.
- Increased emphasis on livestock breeding, feeding, and marketing.
- Use of modern technology and conservation practices to lessen agriculture's dependency on weather conditions.

Mehmet Can Eligesil, who introduced Mexican semidwarf wheat to Turkey in 1965, looks at his crop. This fall, other Turkish farmers planted the same kind of wheat.

More wheat in a hurry

Perhaps no agricultural development program has ever caught the imagination of the Turkish nation as has the current crash program to increase wheat production.

It all began in October 1965. Mehmet Can Eliyesil—a Tarsus farmer—planted 66 pounds of semidwarf Mexican wheat obtained from an American friend. The yield from this planting was so spectacularly large that the following October 101 Cukurova farmers, out of their own resources, imported from Mexico 60 tons of Sonora 64 semidwarf wheat. Yields from this wheat were more than double the yields of native varieties grown in adjoining fields. Thousands of Turkish farmers flocked to the Cukurova area to see this "miracle" wheat for themselves.

Turkish agricultural leaders were electrified by the implications of this demonstration of Turkey's agricultural potential. They saw what might be achieved by general use of modern farming techniques and increased agricultural inputs.

At this point Bahri Dagdas, Turkish Minister of Agriculture, took the lead. His first move was to invite a team of U.S. specialists, through US/AID, to come to Turkey to study the agricultural situation and to make recommendations.

The team arrived in Turkey in the fall of 1966 and made their study and reported their findings by December. Their study focused on an evaluation of: Economic incentives to farmers; introduction of new high-yielding varieties; and widespread use of new agricultural techniques—particularly those in water management, seeding, and fertilization.

Concerning wheat, the team concluded that Turkey could become self-sufficient by 1970 if a crash program, which they outlined, were carried out. This program would be administered by a special task force under the direction of the Minister of Agriculture. It would include: Teaching farmers new technology, use of state farms for seed mul-

Although many Turkish farmers harvest their grain by modern methods (above), scenes such as those at right are still common on farms in the Anatolian Plains. Right above, farmer uses a horse-drawn primitive sledge to harvest his wheat. After sledge-harvesting, the wheat is cleaned by the laborious process shown at right below.

tiplication, use of the agricultural bank for liberalized credit, and better use of seed, fertilizer, and water.

On receiving this report Minister of Agriculture Dagdas acted immediately. His first move was to ask US/AID for help. AID agreed to lend the Turkish Government funds to cover the cost of importing 20,000 tons of Mexican seed wheat and agricultural equipment and other inputs manufactured in the United States. AID also agreed to send specialists to assist in the selection of seed and fertilizer and to advise on water management.

By early this fall, 20,000 tons of seed wheat had been delivered to Turkey. Most of it was of Mexican semidwarf varieties, but 400 tons were of U.S. varieties suited to the cold, dry climate on the Anatolian Plains. All of the U.S. seed and part of the Mexican were allocated to state farms for multiplication. The remainder—about 17,000 tons—was distributed to 20,000 farmers throughout the areas of low altitude and high rainfall.

Coordinated task forces began conducting community meetings on modern techniques of land preparation, seeding, fertilization, irrigation, and water conservation. AID brought in for a 90-day period 10 wheat production specialists from Oregon and Washington to assist local task forces at community meetings.

By October 1 seeding had begun and the program was well ahead of schedule.

As recommended by the study team, the entire program is being supervised by a National Wheat Committee, which is senior to any ministry. The head of the State Planning Organization is chairman.

If the program continues as successfully as it has begun, 250,000 additional tons of wheat will be produced in Turkey in 1968 and the seed-multiplication operation should lead to Turkish self-sufficiency in wheat by 1971.

In the future, the crash wheat program may be cited for achievements far greater than the increasing of wheat yields. The study that recommended the program—pointing out what could be gained by the application of modern agricultural techniques—has revolutionized the thinking of the country's agricultural leadership. The subordination of the various ministries involved in this program under a national chairman could well lead to the much-needed agricultural reorganization that must take place before Turkey can reach its agricultural potential.

The program is also pointing the way for Turkish agriculture to make use of the know-how of other nations. Already the government has begun searching the world for the latest high-yielding seeds of other crops, rather than waiting 20 years to develop them.

Other benefits of wheat program

The profitability of increasing agricultural inputs has been vividly demonstrated by the program. Today, Turkey's hard-currency expenditures for fertilizer are larger than those for any other input item. Fertilizer imports were valued at $32 million in 1966, compared with $7 million in 1964; $54 million has been budgeted for imported fertilizer in 1967. Requirements for 1968 are estimated at $60 million to $70 million. By 1972, the new fertilizer plants scheduled to be built under the new 5-year plan should be able to supply all of Turkey's fertilizer requirements. The program has scored a breakthrough in the providing of additional credit to farmers. This year, $620 million has been allocated for the purpose—250 percent more than in 1961. Increased allocations are scheduled for each year of the current 5-year plan.

Highlights of—

Japan's Agricultural Production and Trade in 1967

Japan's long-term food outlook and declining degree of self-sufficiency in agriculture continued to be a serious concern of high officials of that country's government in 1967. A particularly worrisome aspect of this overall problem is the continuously increasing retail price of rice, which is having an inflationary effect on the economy.

Measures being taken to improve agricultural efficiency have been effective, but progress is slow. The Ministry of Agriculture and Forestry estimates that total agricultural production is increasing 2.5 percent to 3 percent annually, but that self-sufficiency of food production is declining about 2 percent per year.

Currently, Japan's self-sufficiency in edible farm produce is estimated at about 76 percent. Programs to increase dairy, poultry, swine, fruit, and vegetable production have been effective. But so far efforts to increase beef production have not produced results.

Industry and government are jointly making concentrated efforts to develop new sources of farm produce and to expand already existing sources of agricultural supplies in Southeast Asia and Oceania. To the extent that these efforts are successful—and some of them show promise—imports from the United States will be affected.

Highlights of the situation and outlook for major commodities for which the United States is a leading import supplier are given below.

• Soybeans. Utilization in calendar year 1967 may reach about the 1966 level. Domestic production is expected to be about 10 percent lower than a year earlier, continuing the long-term downtrend.

Imports in calendar year 1967 may reach last year's level, although they were about 5 percent lower than in 1966 for the first 9 months. During these first 9 months, imports from the United States declined 7 percent, while those from Communist China were slightly above a year earlier. It is expected that the U.S. share this year will be at or slightly below the 82 percent of 1966.

Use of soybeans for traditional foods continued to increase at about 2 percent per year. Use of soybeans for crushings—which expanded 11 percent last year—may increase only a little this year, primarily because of the competition from Russian sunflowerseed and the relatively inactive domestic oil market.

Consumption of fats and oils is expected to continue the upward trend of recent years. Assuming no further large expansion in use of sunflowerseed, soybeans should share in this increase, and U.S. soybeans should get at least the current share of any increase.

• Corn. Domestic corn production is estimated unofficially at 60,000 metric tons. Expected consumption from July 1967 through June 1968 is 4.1 million tons.

Total corn imports in 1967-68 are expected to increase to about 4.0 million tons. Japan probably will import about half of this from the United States. The rest will be supplied by the Republic of South Africa, Thailand, Communist China, and several lesser suppliers.

Of Japan's total corn consumption, about 3.55 million tons are used for feed, the rest for industrial purposes. The percentage of corn in mixed feed has trended downward the past few years—from 40 percent in 1964 to 32.5 percent in 1966—because of the greater use of more attractively priced grain sorghum. This trend may be reversed this year because of the small price gap between the two.

• Wheat. Japan's total wheat consumption is expected to reach 5.5 million metric tons during the U.S. 1967-68 marketing year, up 6 percent from a year earlier. Japan's import requirements during this period are estimated at 4.55 million tons, 7 percent more than the previous year. Increased import requirements result from a 3-percent decline in domestic production, a 6-percent increase in requirements for food, and a 10-percent increase in wheat to be used for feed.

Consumers continue to eat more bread and noodles each year—a development encouraged in recent years by the relatively stable price of wheat flour and sharp annual increases in consumer prices of rice. Last October 1, consumer rice prices increased 14.4 percent.

As a result of the government's modified wheat resale prices that became effective last July 1, millers are paying higher prices for some hard wheats and about the same average price for medium and soft wheats. The new price relationships are causing some changes in the pattern of wheat consumption in Japan. So far there has been an increase in requirements of U.S. hard wheats and a decrease in demand for Canadian wheat.

• Grain sorghum. Imports in 1967-68 are expected to be only slightly above the 2.6 million tons imported in 1966-67. Import growth prospects have been dampened in recent months because of narrowing of the relatively wide price margin between corn and grain sorghum—a margin that formerly made the latter an attractive buy for feed manufacturers. The United States is by far Japan's principal source of grain sorghum imports, supplying about 88 percent of them in the past 6 months.

• Cotton. Japan's cotton textile industry is sharing in the country's current economic boom. Total imports of raw cotton in the 1966-67 marketing year (August-July) set a new postwar record. The large increase in imports this year reflects the continued expansion in Japan's textile consumption and above-normal stock building by spinners in anticipation of higher world prices.

It is believed that Japan's cotton imports in the 1967-68 season will be near the 1966-67 level. Trade sources indicate that more will be supplied by Mexico, El Salvador, USSR, and East Africa. Imports from the United States are expected to decrease because of the sharp drop in U.S. supplies of long staple cotton.

(For a summary of Japanese cotton imports in 1966-67, see *Foreign Agriculture*, November 6, 1967.)

• Rice. Japan's 1967 rice crop is expected to reach an alltime high of about 14 million metric tons of brown rice. This record crop is expected to result in lower rice imports next year. Japan's imports of rice in the 1967 rice year (November 1966 through October 1967) are forecast at 488,000 tons. Of this, 95,000 tons are expected to come from the United States.

Based on dispatch from JAMES C. FRINK
Acting Agricultural Attaché, Tokyo

Peak Rice Crop Signals Philippine Agricultural Gains

This article and the one on the following page are based on recent dispatches from Lee R. Paramore, U.S. Agricultural Attaché in Manila.

Agricultural production in the Philippines during 1966-67 continued to increase, but at a slower rate than desired. Attention given irrigation, marketing, and financing by the government in attacking the problem of increasing food output were chief factors in the advance. Also important was the recognition that agricultural and industrial sectors must grow together, if the rate of economic development is to outpace the rate of population growth.

Record rice and corn harvests

Prospects for a record rice crop this year are excellent. This summer the government forecast a production of 4,396,000 metric tons of paddy in the 1967-68 crop year—a gain of 5.3 percent over the previous year. After an early October survey of the main harvest in the chief growing areas, the tentative estimate was increased by other observers to 4,575,000 metric tons, dependent on continued good weather. This is a gain of almost 10 percent over last year.

The expanded production is attributed to a very slight increase in planted area, good weather, a significant gain in the number of farms with adequate water following start of a drive to clean and repair run-down irrigation facilities, more extensive use of fertilizer and pesticides, and a switch from traditional low-yielding to new high-yielding seeds on possibly 87,000 acres.

The 1966-67 corn harvest was a record 1,435,000 tons—up 4 percent from the year before. To supplement this production in meeting the livestock industry's burgeoning demand for feed, the country imported 50,000 tons of U.S. corn under P.L. 480, compared with none in 1965-66. A major problem handicapping the industry is the lack of drying and storage facilities, which has led to distribution problems during peak harvest periods.

In addition to its growing feed use, corn has become increasingly popular for use in corn grits, which are priced well below rice. In Urdaneta, a major rice center, corn grits sell for $.26 per ganta (5 pounds), as compared with $.42 for ordinary varieties of rice.

Owing to further increased production in the wheat flour milling industry, flour millers continue their efforts to halt dumping and to get increased tariff rates on imported flour, but success is slow. The U.S. share of the wheat and flour market increased from 66 percent ($16 million) in 1965 to 87 percent ($17.8 million) in 1966. This year's share is expected to be good because of the strong competitive position of U.S. wheat. Domestic consumption should increase more rapidly this year than previously owing to the intensive promotional campaign of Wheat Associates, U.S.A., and the flour milling industry.

The demand for raw cotton also increased during 1966-67 because of expanded operation by local mills resulting from government curbs on textile imports. The growth, 24 percent in 1966-67 over the previous year, is expected to continue. Textile production will be aided by the recent increase in the arbitrary values used in calculating duties on imported cotton and rayon remnants and sizable new loans to textile mills by the Development Bank of the Philippines. Although cotton is still the major raw material for textile products in the Philippines, manmade fibers have been dramatically gaining in recent years and becoming significantly competitive. Major outside source for cotton was the United States, which shipped 133,818 bales to the Philippines in 1966-67 (August-July) as compared with 93,205 the year before.

The upward trend in the livestock industry continues with most of the gain in poultry and hogs. Availability of feed remains a problem, and production is still far short of consumption requirements.

Expansion prospects for the dairy industry are not encouraging. Farmers have only limited opportunity to develop production for processing sterilized whole milk and perhaps condensed milk. However, abolition of the National Marketing Corporation, a government agency importing duty- and tax-free canned milk, should boost the local milk processing industry, which is utilizing imported dry skim milk and coconut oil in the reconstitution process.

Greater production was the main effort of the sugar industry this year in response to the President's challenge to increase annual output by at least 200,000 tons. The resulting program calls for acreage expansion and increased mill capacity. Should the major problem of credit, mill efficiency, and low cane yields be overcome, the supply-demand gap should be closed within the next 2 years. The U.S. Quota Administrator predicted that soon the Philippines will be producing more than 2 million tons a year compared with 1,725,000 in the 1966-67 crop year.

Fruit and vegetable production gained considerably during crop year 1966-67 due mainly to favorable weather conditions. The Philippines continues to be a good market for U.S. fruits, although Central Bank regulations and new advanced deposit requirements are expected to slow imports of fresh, dried, and preserved fruits and vegetables.

Not all crops record gains

Although gains were registered in food crops, 1967 was not a good year for oilseeds, tobacco, and abaca.

Drought reduced the coconut harvest, and production of copra and desiccated coconut is expected to fall about 10 percent. But the industry enjoys continued good demand, and the favorable weather of 1966-early 1967 and an increase in the number of bearing trees should bring gains in coconut production next year.

To supplement the domestic supply of soybeans the Philippines last year imported in excess of 24,000 metric tons from the United States. The need has been increasing in recent years and the trend continues, but prospects for imports in the near future are dependent on the approval of the Omnibus Tariff Bill now in Congress. The measure would substantially reduce the tariff duty on the first 50,000 metric tons of soybean imports. The duty on soybean meal would also be reduced.

Estimates indicate that production of both flue-cured leaf and native or cigar leaf tobacco are down considerably. Because of the huge inventory of flue-cured leaf, acreage devoted to this type has been reduced and shifted

to other cash crops. And substantial damage to the native tobacco crop was caused by a series of floods in 1966, so that production in 1967 will probably be down 10 percent.

Expanded markets and new products

Although the basic agricultural policy concentrates on promoting increased domestic production and protecting domestic crops, the Philippines is also trying to broaden its foreign market to include a number of additional countries in both Europe and Asia. Part of this interest is due to concern with the possible contraction of trade with the United States upon termination in 1974 of the Laurel-Langley agreement, which grants preference to Philippine exports to the United States of sugar, cordage, coconut oil, scrap tobacco, cigars, and pearl buttons.

Expansion efforts to gain new markets face general Philippine prohibitions on trade with Communist countries; yet there are currently indications of a new attitude. Overtures made by Mainland China during the past year to establish a market in the Philippines, and the private Philippine mission to Russia and several East European countries, have generated talk about trade.

However, to date no concrete action has been taken and none is expected in the near future. Considering the lack of the Communist countries' interest in Philippine sugar, coconut products, abaca, logs, and other forest products, there appears limited opportunity for such trade. It is more likely that export market increases will center on Free World countries on a regional basis, particularly Australia and New Zealand.

Innovations in the local foods market will take their most dramatic form in the proposed Greater Manila Food Terminal Market, scheduled to open in July 1969. This structure, the Philippines' largest market complex for foodstuffs, is designed to facilitate sale of expected increased production. It will be built in the suburbs, cover 450 acres, and cost about $15,400,000. The food terminal will be a combined producer-wholesale transit market complex for foodstuffs, particularly farm produce, and serve some 3.3 million people.

Looking ahead, there are three products—pineapples, palm oil, and bananas—that hold special promise. Pineapple production has been in progress for years, but its trade potential is just being realized. Oil palm plantings and commercial banana production are just starting and expansion is anticipated. Also under discussion and planning is the development of large-scale cattle and rice farming. These projects involve upward of 125,000 acres each, which would be developed on government-owned land, and in due time subdivided and sold to individual farmers.

The farmers' credit problem, a major obstacle to individual ownership, drew considerable government attention this year, resulting in several new financing programs with a proposed total outlay of $25 million. These programs are under the Development Bank of the Philippines and include financing poultry and piggery projects, ranches, and fishponds, and converting 25,000 acres of dry land to irrigated rice lands.

The greatest development effort is directed to irrigation. The National Irrigation Administration has given priority to the Upper Pampanga River Multi-purpose Project and the proposed 102 national irrigation projects throughout the country. The Upper Pampanga River Multi-purpose Project would provide for expanded irrigation, hydroelectric power, flood control, municipal water supplies, fish conservation and recreation facilities. This project would cost $67 million and provide irrigation water for 33,000 acres on a year-round basis.

Philippine Fiber Report for 1966-67: Partly Sunny, Partly Cloudy

Crop year 1966-67 was a relatively good one for ramie, kapok, and coir in the Philippines, while the picture continued rather gloomy for abaca, maguey, and buntal. These are the major fibers produced in the country. Although a sizable amount of jute is consumed, all of the fiber is imported. A negligible amount of pineapple fiber is produced and used by cottage industries for fine cloth.

Production of ramie in 1966-67 (July-June) is preliminarily estimated to have increased to 10.1 million pounds, 2 percent above the previous year's output. During the year, government-inspected balings of ramie fiber totaled 24,650 bales of about 280 pounds each, an increase of about 9 percent. The increase in balings was precipitated chiefly by a substantial rise in export demand, since nearly all of the baled ramie fiber is shipped out of the country.

In fact, ramie has been the only soft fiber exported from the Philippines in the last 6 years. Records of the Bureau of Fiber Inspection Service (BFIS) show shipments of 20,913 bales in 1966-67, up about 14 percent from those in 1965-66. Japan was the major market in both years, taking 95 and 99 percent, respectively.

Stocks of ramie have continued to build up during the past few years as production outstripped export shipments and domestic consumption. The inventory of ramie fiber at the end of 1966-67 is estimated at about 12.3 million pounds. Of this, the bulk of stocks—10,711,657 pounds—was in the hands of producers either for baling or for sale locally. Loose fiber held by the only textile mill in operation totaled 443,047 pounds, and baled fiber in the hands of producers and exporters amounted to 1,162,181 pounds.

The textile mill in 1966-67 used 976,173 pounds of ramie, 33 percent less than its consumption the previous year. This substantial reduction resulted from a decline in output of pure ramie fabrics in the trend toward combining ramie with synthetics or cotton. Use of ramie by cottage industries is believed to be under 175,000 pounds.

Any substantial expansion of the ramie industry is extremely uncertain, as its further development depends heavily upon the activation of a large integrated mill in Davao that has remained idle for 2 years. Reopening of the mill, which would boost production and consumption considerably, is being delayed by financial problems and by the question of what company or agency will operate it.

Production of kapok has been increasing as trees recover from typhoon damages inflicted a few years back. Output in 1966-67 is estimated at about 5.1 million pounds or about 1 percent above the previous year's, when it rose 17 percent to 4.9 million. Since kapok acreage has not been expanded, the boosts in production have resulted mainly from increases in yield due to more favorable weather.

Annual domestic consumption of kapok fiber closely approximates production. None has been exported in the

last 4 years, and there are no immediate indications that it will become an important export crop in the future despite increased production. Pillow stuffings, mattresses, and cushions are among its major uses.

Jute is the only soft fiber imported into the Philippines in sizable quantities. Official data on arrivals of jute during the first half of 1966-67 indicate that the year's imports and consumption were up substantially over those of 1965-66. Consumption probably reached 15.4 million pounds, as against less than 13.2 million because of greater demand for jute bags by rice and corn farmers.

In July-December 1966, jute arrivals totaled 10,062,050 pounds, compared with 9,036,511 for the entire year 1965-66. Pakistan and Thailand supplied 92 and 8 percent, respectively. Indications are that imports will continue to rise during the next few years if the anticipated expansion in cereal production materializes.

Imports of other soft fibers, mostly flax, are small compared to those of jute. During July-December 1966, these totaled 33,108 pounds, against 102,775 for the entire crop year 1965-66.

Abaca market weak

Production of abaca continues low because of weak foreign demand and prices. Although output in the first 6 months of this year was 9 percent above that of the last half of 1966, it was 3 percent below that of the comparable period last year. Balings in January-June 1967 amounted to 345,730 bales of about 280 pounds each, compared with 362,494 bales in the first 6 months of 1966, while unbaled or loose fiber output is preliminarily estimated at the equivalent of 70,000 bales.

Looking again at January-June 1967, the weak abaca market had its greatest effect on production in the Leyte-Samar and Davao (southern Mindanao) areas, where it fell 18 and 6 percent, respectively. Production in southern Luzon, however, increased about 7 percent, partially offsetting the losses in the other two areas. The trade reports that the current abaca situation is alarming and that most producers are extremely pessimistic. Reportedly, some have demolished their plantations and replanted them with other crops. Others have interplanted abaca areas with coconuts. Abaca field workers and strippers are not willing to work for the low wages offered because of the weak price situation and are finding other employment.

Exports of baled abaca fiber during January-June, including decorticated fiber but excluding waste, totaled 320,000 bales, a decline of 7 percent from those of the same period in 1966. The United States maintained its imports of about 121,000 bales, but Japan took 18 percent less and the United Kingdom 12 percent less. Exports to relatively small, but important buyers—South Korea, Australia, France, and South Africa—also declined.

Domestic utilization of abaca fiber is also believed to have declined slightly in January-June to 70,000 bales from 70,275. A considerable drop in its use for cordage fiber was partially offset by increased use in hemp squares, sacks, and other household articles.

Stocks of abaca are building up as balings substantially exceed exports. On June 30 of this year, they were estimated at the equivalent of 161,006 bales, about 18 percent above stocks at the beginning of the year and 4 percent higher than on June 30, 1966.

Abaca prices continued to decline in the first half of the year, with some grades priced at their lowest levels since World War II. The trade expects further price declines unless foreign demand picks up.

ABACORP resumes functioning

The Abaca Corporation of the Philippines (ABACORP)—whose major objective is to solve the problem of domestic price instability—resumed its buying and price stabilization function early this year after remaining inactive for 2 years for lack of funds. However, ABACORP still does not have the money necessary to stabilize prices. From the start of this year's buying program until early September, it purchased 25,781 bales and exported or sold only 7,100.

ABACORP is currently attempting to organize an association of small abaca producers to improve their bargaining position with large local and foreign buyers. The corporation is also planning to conduct a study on the feasibility of establishing cordage factories in Luzon, the Visayas, and Mindanao to supplement the two existing plants. Two other ABACORP studies involve an abaca pulp factory and a sack manufacturing plant. If these three projects are implemented, they could greatly relieve the distressed condition of the industry. Of course, even if the studies prove them practical, the necessary capital to implement them may not be available.

The short-term outlook for abaca continues gloomy. Production during the second half of this year is not expected to pick up, with no immediate prospect for a stronger market. Since the abaca industry is unlikely to regain and stabilize the market for traditional uses and the downward trend in using abaca for rope is likely to continue, the industry's only hope lies in developing new uses—pulp, paper, and bagging material. However, use for pulp and paper will require considerable investment and a revolutionary change in production and harvesting practices to reduce cost, and use for bags would require research to overcome hardness of the fabric and slipperiness in handling and stacking.

Coir, buntal, maguey

Production and exports of coir increased considerably in the first half of this year as a result of a substantial improvement in foreign demand. Prospects are good that output for all of 1967 will reach the 1965 level of 2,200 metric tons. In January-June alone, production totaled 2,196 bales of 220 pounds each, compared with 1,310 in the same 6 months of 1966. Exports of 2,408 bales were 93 percent above 6-month 1966 shipments of 1,250 bales.

Production of buntal fiber this year is expected to decrease sharply, since the law banning exports of this fiber deprived producers of their major market, and domestic consumers cannot absorb all the fiber. Unless the law is repealed or local producers of buntal products—hats, handbags, and placemats—can establish greater demand for these items, production of this fiber could become insignificant in years ahead.

Official estimates of 1966-67 maguey acreage and production have not yet been released. However, no significant change from 1966 is expected. Final official estimates place 1965-66 production at 5,857,280 pounds, compared with about 5.5 million in 1964-65. Demand for maguey is limited to local consumers, who are encountering stiff competition from abaca processors.

Kenya's Farmers Enroll in Mechanization Training Program

By HOWARD A. AKERS
U.S. Agricultural Attaché, Nairobi

Kenya's independence since 1963 has resulted in some serious problems for the country concerning the ownership and operation of its agricultural areas. At independence, more than 7.5 million acres of farmland, producing 78 percent of the agricultural commodities going to market, were in the hands of Europeans. A million-acre program to transfer 30,000 Africans onto farmland not fully used by European owners was later extended by 400,000 acres. Also, over 600 farms have changed from European to African ownership on a willing-seller willing-buyer basis: from 600,000 to 1,000,000 acres of general farming areas were involved. (Details on how Kenya is handling the settlement appear in *Foreign Agriculture*, December 26, 1966, page 7.)

Training for new farmers

Many of the new farmers, however, had lived in urban areas and lacked the experience, credit, capital, and equipment to farm the land with much success; agricultural output has been skidding downward. The government has taken over many farms and is assisting in the operation of 150 of them. (Not all are African, however; some European and at least one American-owned farms are being operated by the government.)

A training program for the new African farmers seemed to be one answer to the inefficient farm operations, and two European farmers—former large landholders in Kenya—accepted the challenge. The farmers, Alan Knight and Michael Low, chose to stay in Kenya after independence to farm and to help their new African neighbors build up the land they had acquired. In August 1966 the two men established the Narosurra Farm Mechanization Scheme. The goal of the pilot self-help project was to train Africans in the technical skills of farming and to help develop in them the integrity, initiative, and responsibility to make the skills effective.

The training school was established on Mr. Low's 500-acre farm 32 miles from Nakuru in western Kenya. Dormitories and a mess hall were built, and classrooms, workshops, and other facilities converted from existing buildings on the farm. Low, Knight, and representatives from the Government of Kenya and private organizations set themselves up as the Board of Directors.

Volunteer teaching staff

Low supervises all the training and outside work, and volunteer teachers fill out the staff. (Only a few staff members receive wages, and these are minimal.) The first volunteer to join the Scheme as a teacher was Steiner Novik, a Norwegian mechanical engineer recruited to direct workshop training. James Wigan, a young English farmer, heard of the project, came to Kenya to help, and now handles tractor driver training. Samuel Fripp, a farmer from Kitale, Kenya, directs all outside contract operations, and Tom Button—another Kenya farmer—handles the Scheme's accounting. Two former students are training as teachers, and more are being recruited.

The curriculum for the compact, 12-week course includes classes in tractor maintenance, mechanics, accounting, and crop and animal husbandry. The students' day begins early with a full schedule of classes, discussions, and debates. Lectures and films fill the evenings, and a current events session once a week keeps the trainees up-to-date

Above, students at Narosurra practice plowing, supervised by Michael Low (white shirt); below, accounting class; below left, Norwegian instructor Novik in machine shop.

U.S. wheat promotion in Asia

Japanese Bakery Announces Winner of Sandwich Contest

Japan's huge Yamazaki bakery has just wound up its 3-month sandwich-making contest, modelled on promotions held in the past by FAS and Wheat Associates, U.S.A. Winner Miss Taeko Mori of Tokyo was awarded an all-expense trip for two to the United States. The contest is believed to be one of the world's largest food campaigns.

Some 26,000 people participated in two sandwich idea contests and a sandwich festival—popular advertising events for Yamazaki and a boon to U.S. wheat promotion.

Japan annually buys more than 40 million bushels of Hard Red Winter wheat from the United States, a prime ingredient in making bread. Campaigns for wheat foods in Japan have helped push sales of all U.S. wheat to Japan to 78.5 million bushels in fiscal 1967.

Far right, president of Yamazaki bakery and contest winner. Right, the winning sandwich; filling is made of green pepper, cabbage, wet sea weed, canned tangerines, tomato, ham, mayonnaise, mustard, and salt.

Bakers Graduate in the Philippines

The new Bakers Training School in Manila has graduated its first class, pictured at right with the school's baking technician and Director Richard Gonzalez, front center. Also in the group are members of the newly established Bakers Institute. Wheat Associates, U.S.A., cooperator with FAS in U.S. wheat promotion in Asia, provides equipment for the school and the baking technician.

Purpose of the Bakers School and the Bakers Institute is to promote improved bake shop techniques and to stimulate increased consumption of wheat foods.

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on world events. Each week the students are tested and completed the 12-week course with final examinations on their various subjects.

Hired out by neighbors

When the African farmers have completed basic training they take on paid contract work plowing, cultivating, planting, and harvesting for neighbors. The length of time spent in training before beginning contract work depends on the ability of the student; a month usually is sufficient. While doing contract work, the students take camping equipment and return to the Low farm only on weekends. Some students will likely continue this work after they complete training; requests for contract work always exceed personnel and equipment available.

The first training operation started with 16 men who were together responsible for farming 14,926 acres of land. The school trained a third group of African farmers—a class of 33, of whom 21 were selected by the Ministry of Agriculture—and is now training a class of 100. The Ministry requires that farmers complete this course to qualify for a government loan on tractors.

Funds for the Scheme come from a number of sources—70 percent from voluntary contributors, and the rest from government revenues and contract work. The trainees themselves pay $21 a month for living expenses, and operating costs and salaries are met by donations. Early requests to large donor organizations for financial assistance were turned down because needs at Narosurra were too modest to meet the requirements, so a number of smaller groups support the Scheme—the National Freedom from Hunger Committee, Catholic Relief Services, National Christian Council of Kenya, and the Oxford Society for Famine Relief (OXFAM). Machinery dealers have furnished some equipment, and the staff and students have rebuilt worn-out tractors. Inadequate financing, however, continues to hold back expansion and purchases of needed farm equipment.

Brazil's Wheat Imports Ahead of 1966

Brazil's unloadings of wheat imports for the January-August period in 1967 amounted to 1,847,000 metric tons, as compared with 1,512,000 in the same period of 1966.

The 1967 imports comprised 806,000 tons from Argentina; 667,000 from the United States; 228,000 from Hungary, Bulgaria, Romania, and the Soviet Union; 104,000 from Australia; 31,000 from Mexico; 10,000 from Uruguay.

Brazil had purchased an additional 273,000 tons of wheat—part of which was already in transit—as of August 31 and 30,000 of Mexican wheat as of early September.

Ceylon's Rice Crop Up, But Need Still Felt

Ceylon's rice harvest for 1967 is estimated at 745,000 tons (milled basis), compared with 643,000 in 1966. Acreage planted was about 1.3 million acres, about 5 percent more than last year's. Increased use of fertilizer and better distribution of water contributed to higher yields this year.

Despite a larger crop, difficulties in obtaining imported rice are expected to intensify Ceylon's shortage. Imports of rice into Ceylon in 1967 are likely to be about 400,000 metric tons because of smaller arrivals from Burma and Mainland China. Ceylon's rice imports have averaged about 600,000 tons annually during the last 3 years.

Brazil's Beeswax Output Down in 1967

Trade sources indicate that Brazil's usual outturn of beeswax has not materialized for the second year in a row in 1967. Production in 1966 was an estimated 1.1 million pounds, compared with 3.1 million in 1965. One of the primary causes for this sharp reduction, according to exporters, is the crossing of African queen bees with Brazilian strains which has produced overly-aggressive cannibalistic worker bees that produce less honey and wax. Recent pesticide application by airplanes has also reportedly hurt bee colonies in the São Paulo area.

Coupled with this reduced output has been increased domestic consumption of beeswax, particularly by the Brazilian cosmetic industry. Since Brazil is traditionally one of the world's principal exporters of beeswax, the country's decidedly smaller export availabilities have had a pronounced effect on the world beeswax market and prices.

Western Hemisphere Sends U.S. Less Coffee

U.S. coffee bean imports from Western Hemisphere countries and dependencies were valued at $691 million for July-June 1966-67, 18 percent less than imports during the same period a year earlier. Quantity of imports decreased about 10 percent from the high level of the previous year when most of the Latin American producers filled and in some instances exceeded quotas established under the International Coffee Agreement.

The average import value per pound dropped from 40.8 cents last year to 37.3 for 1966-67 as all Hemisphere producing countries except Bolivia and El Salvador registered declines in value. An estimated 45 percent of the decline in U.S. import value is attributed to Brazil and 38 percent to Colombia, the two largest producers.

The Western Hemisphere countries continue as the principal source of supply for the U.S. coffee market, but their position fell from 67 percent of total U.S. coffee imports in 1965 to about 66 percent in 1966.

India Permits Exports of Peanut Kernels

According to an announcement released by the Export Import Controller in Bombay, India, on October 16, exports of Hand-Picked Selected peanut kernels will be allowed free on first-come, first-served basis to all permissible destinations within a limited ceiling. This decision is attributed to the expected increase in this year's peanut crop.

Exports of oilseeds and edible oils were banned on July 11, 1964. However, the government has since permitted small lots of Hand-Picked Selected peanuts and peanut oil and vanaspati (hydrogenated vegetable oil) in 2- to 4-kilogram consumer packs to move to traditional markets in the Middle East and other nearby countries on an ad hoc basis.

U.S. Exports of Soybeans and Products

U.S. exports of soybeans during September 1967—the first month of the new marketing year—reached 10.3 million bushels. This is 87 percent more than the 5.5 million exported last September, when soybeans were in tight supply due to the late harvest and low stock position. Exports this September were second only to the record established in 1964 for September exports of 11.1 million bushels. Japan, this month, was again the major market for U.S. soybeans.

Soybean oil exports during the October-September marketing year amounted to 1,066.5 million pounds, compared with 922.6 million a year ago. Larger shipments under Public Law 480 programs accounted for the increase. Only 77.6 million pounds of cottonseed oil went out this year, against 272.6 million last year. The marketing year total, therefore, for soybean and cottonseed oil decreased by 51.1 million pounds.

Exports of soybean meal set a new record of 2.7 million short tons—though up only 55,000 tons over last year's record. Countries taking more soybean meal this year and the amount of increase (in thousand tons) include: the Netherlands, 92.4; Yugoslavia, 80.8; Belgium, 57.5; Italy, 37.0; and Canada, 4.4. Less soybean meal, however, was taken by West Germany, France, Denmark, United Kingdom, and Poland. Decreased exports of cottonseed, linseed, and other cakes and meals lowered this year's total export figure to 2,788,600 tons, compared with 2,864,900 in 1965-66.

Increased exports of soybeans and soybean meal reflect the strong world demand for high protein meal. In 1966-67, soybean exports reached a new high of 257.1 million bushels or 6.5 million more than the previous year. In terms of meal, 1966-67 exports are equivalent to 6,042,800 short tons; the previous year's, to 5,888,900 tons. Total

exports on a meal-equivalent basis, therefore, for each year would amount to 8.7 and 8.5 million short tons, respectively.

When the oil equivalent of soybeans exported is added to exports of oil as such, total exports on an oil equivalent basis reach 3.9 million pounds for 1966-67 and 3.7 million for 1965-66. Moreover, the area of destination is widened to include Western Europe and Japan, whose imports of soybean oil as such have declined sharply in recent years.

U.S. EXPORTS OF SOYBEANS, EDIBLE OILS, OILCAKE AND MEAL

Item and destination	Unit	September 1966 [1]	September 1967 [1]	Sept.-Aug. 1965-66 [1]	Sept.-Aug. 1966-67 [1]
SOYBEANS					
Japan	Mil. bu.	2.7	4.7	62.0	60.6
Netherlands	do.	.1	1.6	33.5	36.0
Germany, West	do.	.4	1.7	33.0	32.5
Spain	do.	.4	.5	17.5	27.4
Canada	do.	1.1	(2)	31.1	20.2
Italy	do.	0	0	15.4	18.0
Denmark	do.	.4	.6	12.5	14.8
Others	do.	.4	1.2	45.6	47.6
Total	do.	5.5	10.3	250.6	257.1
Oil Equivalent	Mil. lb.	60.6	113.4	2,751.5	2,823.4
Meal Equivalent	1,000 tons	129.7	242.6	5,888.9	6,042.8
EDIBLE OILS		September		Oct.-September	
Soybean Oil: [3]		1966 [1]	1967 [1]	1965-66 [1]	1966-67 [1]
India	Mil. lb.	42.6	8.2	80.7	225.7
Pakistan	do.	21.4	64.2	148.3	146.6
Yugoslavia	do.	.6	0	48.7	114.5
Tunisia	do.	2.7	.1	34.4	96.3
UAR, Egypt	do.	(4)	7.8	40.2	58.2
Burma	do.	0	0	60.5	45.0
Israel	do.	0	20.7	27.4	32.5
Vietnam, South	do.	3.0	5.1	10.9	29.7
Greece	do.	0	.4	29.0	23.4
Canada	do.	2.5	2.5	32.0	21.7
Colombia	do.	.4	.5	41.9	18.5
Haiti	do.	1.4	1.1	14.3	14.5
Chile	do.	0	.3	3.4	14.1
Others	do.	13.9	17.6	350.9	225.8
Total	do.	88.5	128.5	922.6	1,066.5
Cottonseed Oil: [3]					
Venezuela	do.	1.5	1.9	31.3	30.9
UAR, Egypt	do.	0	0	38.8	25.5
Canada	do.	.2	.7	40.1	8.3
Others	do.	2.1	.4	162.4	12.9
Total	do.	3.8	3.0	272.6	77.6
Total oils	do.	92.3	131.5	1,195.2	1,144.1
CAKES AND MEALS					
Soybean:					
Germany, West	do.	39.3	33.9	513.0	458.1
France	do.	18.5	40.2	464.9	431.5
Netherlands	do.	17.5	27.7	325.5	417.9
Canada	do.	27.0	22.8	234.0	238.4
Belgium	do.	16.1	18.5	163.9	221.4
Italy	do.	7.4	6.7	155.0	192.0
Yugoslavia	do.	.7	4.9	78.5	159.3
Denmark	do.	4.0	7.5	147.8	109.4
United Kingdom	do.	7.1	6.2	105.4	86.1
Poland	do.	0	11.5	64.1	51.2
Others	do.	6.6	7.2	349.5	291.3
Total	do.	144.2	187.1	2,601.6	2,656.6
Cottonseed	do.	1.0	(5)	98.8	7.3
Linseed	do.	24.1	6.4	113.7	93.4
Total Cakes and Meals [6]	do.	173.1	195.4	2,864.9	2,788.6

Note: Countries indicated are ranked according to quantities taken in the current marketing year.

[1] Preliminary. [2] Less than 50,000 bushels. [3] Includes shipment under P.L. 480 as reported by Census. [4] Less than 50,000 pounds. [5] Less than 50 tons. [6] Includes peanut cake and meal and small quantities of other cakes and meals.

Compiled from Census records.

Mexico's Production of Vegetable Oil Falls

Production of vegetable oil in Mexico in 1967 is estimated at 386,100 metric tons—down 4 percent from the 402,200 produced in 1966. The decrease is mainly in safflower oil, now estimated at 32,400 tons compared with 52,600 a year ago.

The 1967 safflowerseed crop of 135,000 tons is considerably below last year's outturn of 246,000, which resulted primarily from the additional acreage planted to safflower that year when the government discouraged corn production. Although production this year will be lower than in 1966, it should exceed the 1965 output by 50,000 tons.

An 8,100-ton decline in sesame oil is attributed to this year's reduced crop of sesameseed, which is estimated at 160,000 tons compared with 185,500 a year ago.

Coconut oil production in 1967 is expected to be 105,000 tons—up 9,000 from a year ago. Copra production, estimated at 175,000 tons, is 3 percent up from 1966.

MEXICO'S VEGETABLE OIL PRODUCTION

Vegetable oil	1965	1966	Estimated 1967
	Metric tons	*Metric tons*	*Metric tons*
Cottonseed	126.6	126.0	127.5
Sesame	61.8	79.6	71.5
Safflower	22.9	52.6	32.4
Soybean	10.1	15.3	16.2
Coconut	90.0	96.0	105.0
Palm kernel	15.5	15.8	16.1
Other edible oils	8.0	8.2	8.3
Industrial oils	7.1	8.7	9.1
Total	342.0	402.2	386.1

Argentina's 1968 Sunflowerseed Acreage

The Argentine sunflowerseed area in 1967-68 is expected to expand to 3,533,500 acres, according to the first estimate released by the Argentine Department of Agriculture. This represents an increase of 5 percent over last year's area of 3,360,600 acres and 53 percent above the 1960-64 average of 2,311,600.

Nigerian Producer Prices for Peanuts, Castor

The Northern Nigerian Marketing Board has announced sharp reductions in prices to producers of peanuts and castorseed for the 1967-68 season. The Board also has reintroduced a peanut price differential system for the first time in 9 years to encourage better quality products.

Peanut prices have been reduced by £5·4·3 ($14.60) per long ton, delivered to port of shipment. This brings the port price per ton for exportable grade peanuts to £38·7·0 ($107.38) compared with £43·11·3 ($121.98) last season, and for subgrade peanuts, to £36·7·0 ($101.78). Assuming that the rail transport rate of £7·17·0 ($21.98) and produce sales tax of £1·10·0 ($4.20) remain the same, peanut producer prices (Kano basis) will be £29·0·0 ($81.20) for exportable grade and £27·0·0 ($75.60) for subgrade. Exportable grade in 1966-67 was $95.80.

Producer prices for castor have been reduced by £6·7·6 ($17.88) to £23 ($64.40), and the Marketing Board has announced 1967-68 as the last year for purchase.

Prices of Canned Fruits and Juices in Hamburg

Importers' selling prices, duty and tax paid, in Hamburg, Germany, for lots of 50 to 100 boxes are shown in the following table:

Type and quality	Size of can	Price per dozen units: October 1966	July 1967	October 1967	Origin
CANNED FRUIT		*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	
Apricots, halves:					
Choice	2½	3.36	3.30	3.39	S. Africa
Quality not not specified	2½	4.80	4.95	4.95	U.S.
Fruit cocktail:					
Choice, heavy syrup	2½	4.92	5.34	5.94	U.S.
Do	2½	—	—	4.92	Australia
Do	2½	—	—	5.01	S. Africa
Two-fruits, choice, light syrup	2½	3.75	—	3.78	Australia
Do	10	—	—	13.50	Australia
Peaches, halves:					
Fancy	2½	—	—	4.08	S. Africa
Choice, heavy syrup	2½	3.81	3.93	4.53	U.S.
Do	2½	—	3.72	4.08	Australia
Pears, halves, quality not specified	2½	4.14	4.05	4.59	Italy
Pineapple:					
Whole slices:					
Fancy, 8 slices	2½	5.10	5.16	5.16	U.S.
Fancy	2½	4.50	4.52	4.46	Philippines
Choice, 10 slices	2	3.30	3.42	3.42	U.S.
Choice	2½	—	4.36	4.48	Philippines
Quality not specified	2½	3.57	3.51	3.63	Taiwan
Do	2½	3.45	3.30	3.39	S. Africa
Do	2½	3.51	3.42	3.51	Ivory Coast
Pieces and halves:					
Quality not specified	2½	2.97	2.85	2.88	Philippines
Do	2½	2.94	2.91	2.91	Taiwan
Do	2	2.97	2.13	2.07	Ivory Coast
Crushed:					
Fancy	2½	4.38	4.35	4.44	U.S.
Do	10	—	12.12	14.46	U.S.
Quality not specified	10	—	12.06	12.06	Philippines
Do	10	8.73	—	8.73	S. Africa
Do	10	9.45	—	9.75	Taiwan
CANNED JUICES					
Grapefruit, unsweetened	43 oz.	—	—	3.99	U.S.
Do	43 oz.	4.22	3.99	4.05	Israel
Do	2	2.19	1.80	1.70	U.S.
Do	2	1.82	1.62	1.66	Israel
Do	2	—	1.62	1.56	China
Orange, unsweetened	43 oz.	—	—	3.69	U.S.
Do	43 oz.	3.75	3.60	3.57	Greece
Do	2	1.66	1.65	1.65	Greece
Do	2	—	—	1.66	Israel

Prices of Canned Fruits and Juices in London

Selling prices (landed, duty paid) in London, England, of selected canned fruits are shown in the following table:

Type and quality	Size of can	Price per dozen units: October 1966	July 1967	October 1967	Origin
CANNED FRUIT		*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	
Apricots, halves:					
Fancy	2½	3.20	3.22	3.45	S. Africa
Choice	2½	3.45	3.36	3.59	Australia
Do	2½	3.10	3.01	3.31	S. Africa
Fruit Cocktail, choice	2½	4.15	3.92	4.18	Australia
Fruit Salad, choice	15 oz.	2.24	2.17	2.24	Spain
Grapefruit sections, quality not specified	20 oz.	—	2.45	2.38	Israel
Peaches, clingstone halves:					
Fancy	2½	3.55	3.40	3.62	Australia
Do	2½	3.38	3.22	3.45	S. Africa
Choice	2½	3.45	3.26	3.46	Australia
Do	2½	3.27	3.08	3.31	S. Africa
Pears:					
Fancy	2½	3.66	3.64	3.86	Australia
Do	2½	3.55	3.43	3.66	S. Africa
Choice	2½	3.59	3.36	3.66	Australia
Do	2½	3.45	3.29	3.52	S. Africa
Pineapple, slices:					
Fancy	2½	3.91	3.69	4.16	U.S.
Do	2	2.94	2.80	3.15	U.S.
Do	16 oz.	—	1.80	2.00	S. Africa
Choice	2½	3.64	3.13	3.54	U.S.
Do	2	2.73	2.23	2.57	U.S.
Do	2½	3.26	[1] 2.79	[1] 2.76	Taiwan
Choice, round	20 oz.	—	[1] 1.98	[1] 2.00	Taiwan
Choice, spiral	20 oz.	1.89	[1] 1.73	[1] 1.73	Malaya
Do	16 oz.	1.70	[1] 1.55	[1] 1.55	Malaya
CANNED JUICES					
Orange, unsweetened	43 oz.	4.58	[1] 3.43	[1] 3.43	Israel
Do	19 oz.	2.03	[1] 1.54	[1] 1.54	Israel
Grapefruit, unsweetened	43 oz.	4.30	[1] 3.29	[1] 3.29	Israel
Do	19 oz.	—	[1] 1.50	[1] 1.50	Israel

[1] C.i.f. U.K. ports.

Portuguese Cotton Consumption Down

Portuguese cotton consumption dropped about 35,000 bales (480 lb. net) in 1966-67 from 385,000 a year earlier. In a generally depressed economy, cotton consumption during the past 2 years has declined from the record level of 1965-66. Recent reports, however, suggest that business activities have picked up in recent months.

Despite the reduction in consumption of raw cotton, Portuguese shipments of textiles have increased. This gain in textile exports stems from relatively higher consumption during the latter part of the 1965-66 season (August to July) with shipments in the early part of the following period. Textile exports to the United Kingdom, however, were down in the second quarter of the 1967 calendar year, primarily a result of an agreement between the two countries to reduce textile exports to the United Kingdom.

Portugal imported about 315,000 bales (480 lb. net) of cotton in the 1966-67 season (August to July), down 16 percent from the 375,000 bales imported in 1965-66. Shipments from Portuguese overseas territories of Mozambique and Angola totaled 179,300 bales, or more than one-half of total imports in 1966-67. Other countries of origin, with 1965-66 figures in parentheses, were as follows: Turkey 66,000 bales (88,730); Nicaragua 23,300 (60,926); Guatemala 13,400 (31,530); and the United States 1,470 (7,530).

Portuguese cotton stocks were reduced to 35,000 bales at the beginning of the 1967-68 season, less than half of the stocks of a year ago.

A bilateral agreement was signed, effective January 1, 1967, between Portugal and the United States under the procedures of the Long-Term Arrangement Regarding International Trade in Cotton Textiles. The aggregate limit the first year of the 4-year program is 102,300,000 square yards equivalent. In the second and succeeding 12-month periods for which any limitation is in force under this agreement, the level of exports permitted shall be increased by 5 percent of the corresponding level for the preceding 12-month period, the latter level not to include any adjustment of the aggregate limit.

U.S. Cotton Exports Decline

U.S. cotton exports totaled 521,000 running bales in the first 2 months (August-September) of the 1967-68 crop year, down about one-fourth from the same period last season. Exports in September amounted to 277,000 bales, compared with 348,000 in the same month in 1966. The rate of shipment is expected to increase.

U.S. COTTON EXPORTS BY DESTINATION
[Running bales]

Destination	Year beginning August 1				
	Average			Aug.-Sept.	
	1960-64	1965	1966	1966	1967
	1,000 bales	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*
Austria	23	3	4	(1)	(1)
Belgium-Lux.	121	43	52	11	7
Denmark	14	7	8	1	2
Finland	17	8	15	3	1
France	319	108	163	25	16
Germany, West	269	92	159	38	18
Italy	345	102	263	48	33
Netherlands	110	38	31	3	2
Norway	13	10	10	2	1
Poland & Danzig	125	42	78	1	20
Portugal	21	6	1	0	(1)
Spain	74	10	1	(1)	(1)
Sweden	81	59	71	12	15
Switzerland	74	35	79	15	14
United Kingdom	244	131	153	23	18
Yugoslavia	112	169	139	1	4
Other Europe	17	12	11	3	3
Total Europe	1,979	875	1,238	186	154
Australia	61	33	17	1	5
Bolivia	7	4	9	1	0
Canada	353	269	297	28	34
Chile	18	3	3	0	(1)
Colombia	3	57	1	1	0
Congo (Kinshasa)	6	25	34	0	(1)
Ethiopia	9	20	9	(1)	3
Ghana	1	1	15	1	0
Hong Kong	148	94	183	37	27
India	314	63	289	16	30
Indonesia	40	(1)	161	31	0
Israel	15	5	2	1	1
Jamaica	4	5	5	1	(1)
Japan	1,192	705	1,293	232	139
Korea, Rep. of	261	301	372	54	74
Morocco	12	12	14	(1)	2
Pakistan	14	6	3	(1)	0
Philippines	123	93	134	22	11
South Africa	41	27	38	6	2
Taiwan	209	178	373	48	26
Thailand	34	55	70	12	9
Tunisia	2	13	15	4	2
Uruguay	6	(1)	0	0	0
Venezuela	8	5	1	0	0
Vietnam, South	46	73	66	1	0
Other countries	18	20	27	6	2
Total	4,924	2,942	4,669	689	521

[1] Less than 500 bales.

Peru's Cotton Crop Again Small

Peru's 1967-68 cotton crop is estimated at 450,000 bales (480 lb. net), compared with 475,000 a year earlier. This season's smaller crop continues the downward trend of the past several years and is expected to be the smallest since 1952-53. Current production is expected to be lower than a year earlier because of lower yields of the extra-long staple crop now being harvested. Acreage planted to cotton may total about 575,000 acres this season, compared with an estimated area of 550,000 acres in 1966-67. The increased acreage is in the Tanguis variety.

A shortage of irrigation water and heavy insect damage resulted in a 1967-68 crop of extra-long staple (mainly Pima and Karnak) cotton of about 165,000 bales, down from 220,000 in the previous season. Reportedly, the outlook for favorable prices encouraged larger plantings of Tanguis, to be harvested in the spring of 1968. Production of this long-stapled, rough-character cotton should total about 285,000 bales this season, if crop conditions progress normally an increase of 30,000 bales.

Peru's cotton exports during the 1966-67 season (August-July) totaled 381,000 bales, 26 percent less than shipments of 518,000 in 1965-66. Exports to major destinations during the 1966-67 season, with figures in parentheses for 1965-66, were: Belgium 41,000 bales (53,000), West Germany 38,000 (45,000), Argentina 38,000 (62,000), the United Kingdom 37,000 (54,000), Chile 35,000 (62,000), Italy 33,000 (25,000), the United States 26,000 (20,000), France 24,000 (31,000), the Netherlands 22,000 (30,000), Switzerland 21,000 (19,000), and Venezuela 13,000 (29,000).

Domestic consumption of cotton has amounted to around 100,000 bales a year in recent years. Stocks at the beginning of this season were estimated at 305,000, about the same as in the previous year.

Ontario's Flue-Cured Crop Larger

Latest information indicates that the 1967 crop of flue-cured tobacco in Ontario, Canada, totaled some 220 million pounds, grown on 128,000 acres. This is an increase in both acreage and production from 1966, when 214.7 million pounds were produced from 117,500 acres. The 1967 yield per acre averaged about 100 pounds less than in 1966.

The goal for 1967 production was about 238 million pounds, based on domestic manufacturers' requirements of 164 million and export demand of 74 million. Heavy rainfall, however, in June and early July, followed by drought conditions later on, affected the crop volume. Also, there was some damage from hail. The tobacco has been curing well, and harvesting was virtually finished by September 22. The auction market for the crop opens on November 9.

Corrections: In issue of November 6, 1967, lines 32 and 33 of column 2, page 4 should read "offset the high costs of production and the lower world market prices"; line 47 of column 1, page 7, should read "Support prices for the 1967 wheat harvest were raised."

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Turkey's 1967 Agricultural Output Pushes Past Record Set in 1966

Turkey's agriculture established a new record of production in 1967, slightly exceeding the former alltime high of 1966, a year when output rose dramatically.

TURKEY: AGRICULTURAL PRODUCTION INDICES
[1957-59=100]

Year	Net agricultural production	Net food production	Export crop production
1963	116	114	[1] 126
1964	120	114	174
1965	118	115	136
1966	135	131	187
1967	137	134	152

[1] Based on the output of the six leading agricultural exports—lint cotton, tobacco leaf, filberts, raisins, cottonseed oilcake, and olive oil.

In maintaining a record level of production in 1967, Turkish farmers were, of course, aided by good weather. However, other contributing factors not to be overlooked were the continued expansion of credit, fertilizer use, and irrigation and a "can do" attitude in the Ministry of Agriculture.

In 1967, grain production increased 10 percent for the second year in succession. Fruit output rebounded from 1966, as late spring frosts did not occur in 1967 as in the year before.

Industrial crop outputs—the stalwart of agricultural growth during the past 10 years—were at about 1966 levels except for olives, which dropped to a production of 400 million metric tons from 725 million in 1966. Other main industrial crops are lint cotton, leaf tobacco, and sugar beets. While the drop in olive output this year was expected after 1966's bumper olive harvest, few observers realized even as late as this midsummer the extent of this decline and how much it would affect aggregate industrial crop production. However, on a value basis, the drop in olive output was about the same as the 10-percent grain rise.

Livestock production in 1967 is forecast at nearly 74.6 million head, compared with 74.1 million head in 1966. This forecast may prove conservative, however, since it implies a fall in per capita output of about 2.5 percent that may not occur.

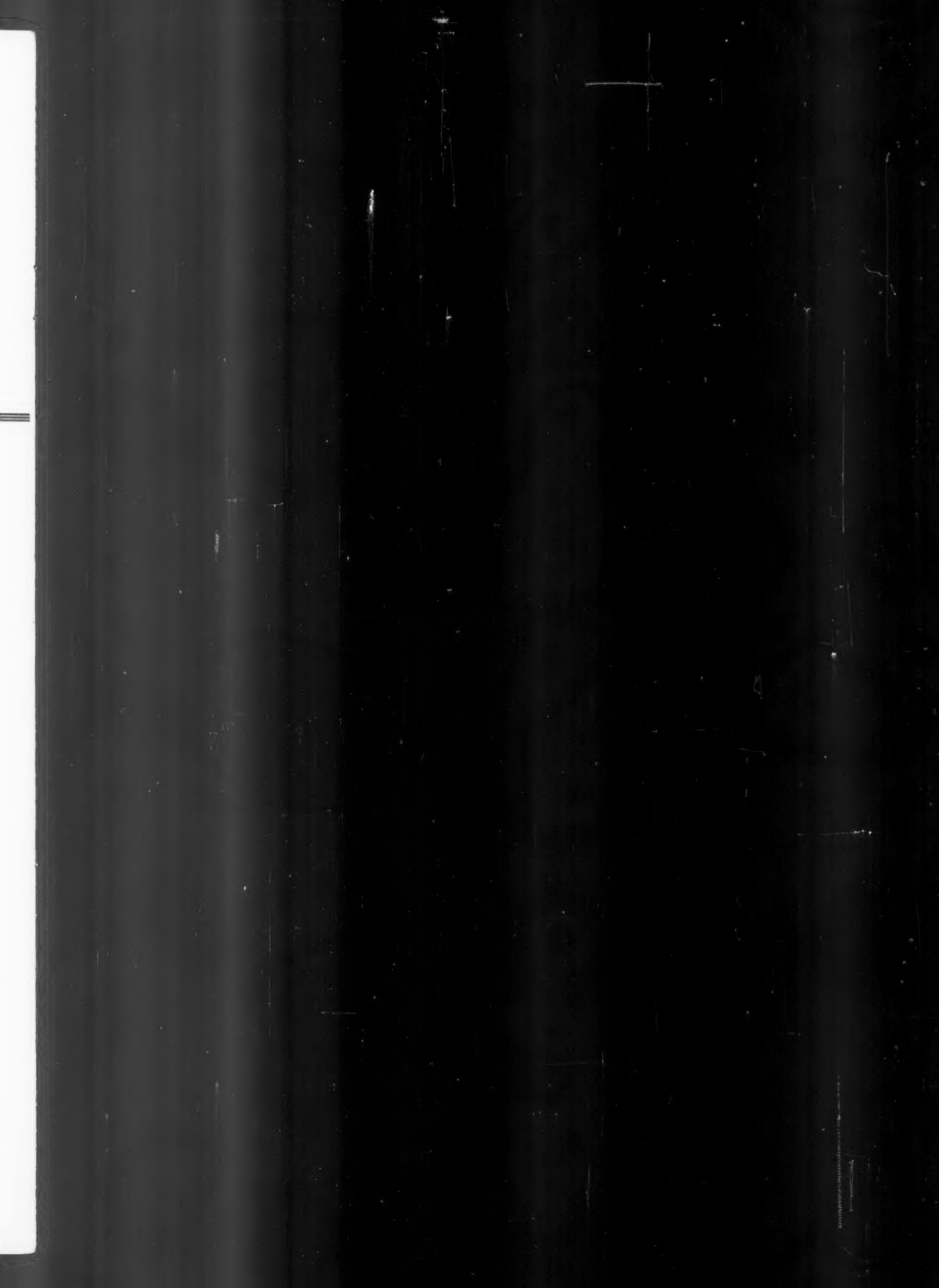
Agricultural commodities are Turkey's principal foreign exchange earners. The value of these exports for the past three fiscal years according to the State Institute of Statistics was:

Exports	1965	1966	1967
	Million dollars	*Million dollars*	*Million dollars*
Cotton	99	116	126
Tobacco	91	108	106
Filberts	53	54	63
Raisins	19	23	19
Other	120	117	108
Total	382	419	422

Implications of domestic production, stocks, and foreign demand point to fiscal year 1968 exports' exceeding those of 1967 by approximately 2 percent. A significant part of this predicted increase is based on assumed price rises—especially for cotton and filberts, and possibly for tobacco. A reversal of the downward trend in export earnings from commodities other than the leading four was also assumed in making the forecast.

Turkey's agricultural imports for the past 3 fiscal years, according to the State Institute of Statistics, were:

Imports	1965	1966	1967
	Million dollars	*Million dollars*	*Million dollars*
Wheat	22.2	8.0	17.4
Wool	14.1	12.3	12.9
Vegetable oil	14.0	6.8	4.8
Tallow	5.1	2.0	4.9
Hides	—	2.7	5.0
Other	3.4	3.5	6.1
Total	58.8	35.3	51.1

A significant drop in agricultural imports is forecast for fiscal year 1968, mainly because of a decline in wheat exports to about $4 million. The other principal imports are expected to remain about the same except for tallow, which is expected to decline.

Based on dispatch from JOSEPH R. WILLIAMS
U.S. Agricultural Attaché, Ankara